

HOUSE BILL 3974
By Maggart

AN ACT to amend Tennessee Code Annotated, Title 5, Chapter 12; Title 5, Chapter 21; Title 5, Chapter 5; Title 67, Chapter 1, Part 6 and Title 67, Chapter 5, relative to relative to taxation of property by counties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 1, Part 6, is amended by adding the following as a new section:

§67-1-604

(a) Notwithstanding any provision of law to the contrary, a county legislative body that proposes to fix a tax rate in excess of the prior tax rate may, by resolution adopted by a two-thirds (2/3) vote of the legislative body, fix the tax rate and direct the county election commission to call an election for the purpose of approving or rejecting such tax levy.

(b) The county election commission shall hold an election on the question pursuant to §2-3-204, providing options to vote "FOR" or "AGAINST" the tax rate, after the receipt of a certified copy of the resolution fixing the tax rate. A majority vote of those voting in the election shall determine whether the tax rate shall be approved. If the tax rate is approved at the election, it shall become effective as provided in the resolution setting the rate. If the proposed tax rate is not approved at the election, the prior tax rate shall remain in effect.

SECTION 2. Tennessee Code Annotated, Section 67-5-1702, is amended by designating the existing language as subsection (a) and by adding the following as new subsection (b):

(b) If the county legislative body proposes to set a tax rate in excess of the certified tax rate as provided for in §67-5-1701, the legislative body may choose to follow the procedure as provided in §67-1-604 instead of proceeding as directed under subsection (a).

SECTION 3. Tennessee Code Annotated, Section 67-5-1703(c), is amended by deleting the words “governing body” and by substituting instead the words “governing body or determined under §67-1-604”.

SECTION 4. Tennessee Code Annotated, Section 5-5-123, is amended by deleting the words “The county legislative body” and by substituting instead the language “Except as provided in §67-1-604, the county legislative body”.

SECTION 5. Tennessee Code Annotated, Section 5-12-109, is amended by adding the following new subsection:

(d) Notwithstanding the provisions of this section to the contrary, if the county governing body calls for a referendum on the tax rate under §67-1-604, then the governing body shall adopt the budget and the appropriation resolution within thirty (30) days of the date on which the county election commission makes its official canvass of the election returns.

SECTION 6. Tennessee Code Annotated, Section 5-12-210, is amended by adding the following new subsection:

(g) Notwithstanding any provisions of this section to the contrary, if the county legislative body calls for a referendum on the tax rate under §67-1-604, then the legislative body shall adopt the budget and the appropriation resolution within thirty (30) days of the date on which the county election commission makes its official canvass of the election returns.

SECTION 7. Tennessee Code Annotated, Section 5-21-111, is amended by adding the following new subsection:

(h) Notwithstanding any provisions of this section to the contrary, if the county legislative body calls for a referendum on the tax rate under §67-1-604, then the legislative body shall adopt the budget and the appropriation resolution within thirty (30) days of the date on which the county election commission makes its official canvass of the election returns.

SECTION 8. Tennessee Code Annotated, Section 67-5-102(a)(2), is amended by deleting the words “of each county” and by substituting instead the words “of each county or as provided in §67-1-604.”

SECTION 9. Tennessee Code Annotated, Section 67-5-510, is amended by designating the existing language as subsection (a) and by adding the following language as new subsection (b):

(b) Notwithstanding any provision of subsection (a) to the contrary, a county legislative body may call for a referendum on the tax rate under §67-1-604.

SECTION 10. This act shall take effect July 1, 2006, the public welfare requiring it.